

06 DEC 1996

Part 6

Periodic Reporting

- Reference:
- (a) DoD Directive 5000.1, "Defense Acquisition," 15 Mar 96 (NOTAL)
 - (b) DoD Regulation 5000.2-R, "Mandatory Procedures for Major Defense Acquisition Programs (MDAPs) and Major Automated Information System (MAIS) Acquisition Programs," 15 Mar 96 (NOTAL)
 - (c) DoD Directive 3200.12, "Scientific and Technical Information Program," 15 Feb 83 (NOTAL)
 - (d) SECNAVINST 3900.43A, "Navy Scientific and Technical Information Program," 20 Jul 94 (NOTAL)

6.1 Purpose

Periodic reports are those reports provided to the milestone decision authority (MDA) as phase documents, not milestone documents. They serve to inform the MDA as to cost, schedule and technical performance status. See references (a) and (b) for further implementation requirements for all DON programs.

6.2 Cost, Schedule, and Performance Program Reports

Decision makers in the acquisition chain of command can effectively oversee and review a program only when they are informed of emerging problems. Mandatory policies for reporting in-phase status for acquisition category (ACAT) ID, IAM, IC, IAC, II, III, and IV programs (and internal DON reporting of ACAT ID and IAM programs) follow.

6.2.1 Acquisition Program Baseline (APB) Reporting

All programs shall have baselines in accordance with this instruction, enclosure (3), paragraph 3.2.2.

6.2.1.1 Program Deviations

A program deviation occurs when the program manager (PM) has reason to believe that the current estimate of an APB cost, performance, or schedule parameter will breach the threshold value for that parameter. When this occurs, the PM shall immediately notify the MDA and the ACT for ACAT IC, IAC, and II programs or similar forum for ACAT III and IV programs. If not provided at this initial MDA notification, within 30 days of the program deviation, the PM shall notify the MDA of the reason for the deviation and the action(s) being taken to bring the program back within the approved baseline thresholds. Within 90 days of the program deviation the program manager shall:

06 DEC 1996

- a. ensure the program is back within APB thresholds, or
- b. submit a new APB, changing only the breached parameter and those directly affected by the breached parameter, or
- c. provide a date by which the new APB will be submitted or by which the program will be back within original APB thresholds.

The PM shall also keep the Chief of Naval Operations (CNO)/Commandant of the Marine Corps (CMC) informed with regard to program deviations and baseline recovery actions. APB processing is described in reference (b), paragraph 3.2.2, and in enclosure (3), and enclosure (7), appendix II, annexes A and B, section 4.

6.2.2 Defense Acquisition Executive Summary* (DAES)
(DD-ACQ(O)1429 applies)

Reference (b), paragraph 6.2.2, contains ACAT I DAES reporting requirements, in the Consolidated Acquisition Reporting System (CARS) format (see reference (b), appendix I).

6.2.2.1 DAES Reportable Designations

Under Secretary of Defense (Acquisition and Technology) (USD(A&T)) assigns DAES reporting responsibility. Selected ACAT I programs are assigned a designated reporting month by USD(A&T) to begin their quarterly DAES reports. Without exception, DAES reports shall be submitted to USD(A&T) by the last working day of the program's designated reporting month. To meet this deadline and to allow adequate time for Assistant Secretary of the Navy (Research, Development and Acquisition) (ASN(RD&A)) and ASN (Financial Management and Comptroller) (ASN(FM&C)) review, DAES reports shall be submitted to ASN(RD&A) no later than the 15th day of the program's designated quarterly reporting month. Four copies plus one computer disk in CARS format shall be provided for each submission.

6.2.2.2 Out-of-Cycle DAES Reports

See reference (b), paragraph 6.2.2.2, for implementation requirements for ACAT I programs.

6.2.2.3 Consistency of Information with Other Documents and/or Reports

See reference (b), paragraph 6.2.2.3, for implementation requirements for ACAT I programs.

*Not normally applicable to ACAT IA programs.

06 DEC 1996

6.2.3 Major Automated Information System (MAIS) Quarterly Report (DD-C3I(Q)1799 applies)

MAIS quarterly reports shall be submitted to ASN(RD&A) or designee by the 15th of the month after the end of each quarter. COMNISMIC will forward MAIS quarterly reports to OSD. See reference (b), paragraph 6.2.3, for implementation requirements for ACAT IA programs.

6.2.4 Selected Acquisition Reports (SARs)* (DD-COMP(Q&A)823 applies)

SAR preparation implementation requirements are provided in reference (b), paragraph 6.2.4. To meet USD(A&T) submission deadlines and to allow adequate time for ASN(RD&A) and ASN(FM&C) review, annual SAR reports shall be submitted to ASN(RD&A) no later than the 15th day after the President sends the budget to Congress. Quarterly SARs shall be submitted no later than the 15th day after the end of the reporting period. Twenty copies plus one computer disk in the CARS format shall be provided for each annual and quarterly SAR. Final SAR content shall be as specified by USD(A&T) and ASN(RD&A). Classified annual SARs and quarterly SARs shall be handled as working papers until approved and published by USD(A&T).

*Not applicable to ACAT IA programs.

6.2.5 Unit Cost Reports (UCRs)* (DD-COMP (Q&A)1591 applies)

UCRs apply to all SAR reporting programs. See reference (b), paragraph 6.2.5, for implementation requirements for ACAT I programs.

6.2.5.1 Unit Cost Content and Submission

See reference (b), paragraph 6.2.5.1, for implementation requirements for ACAT I programs.

6.2.5.2 UCR Breaches

Notification of unit cost threshold breaches shall be made immediately, via the chain of command, to ASN(RD&A).

Contract cost baselines (CCBs) are the basis for determining contract breaches that must be reported in the DAES. They shall be maintained on all major contracts for all SAR reporting programs, except that CCBs shall not be required for "RDT&E-only" programs. See reference (b), paragraph 6.2.5.2, for further implementation requirements for ACAT I programs.

*Not applicable to ACAT IA programs.

06 DEC 1996

6.2.6 Annual T&E Oversight List

The Director, Operational Test and Evaluation (DOT&E) annual oversight list identifies those DON programs subject to DOT&E oversight.

6.2.7 Assessing Program Performance for ACAT I Programs*

See reference (b), paragraph 6.2.7, for implementation requirements for ACAT I programs.

*Not applicable to ACAT IA programs.

6.2.8 Assessing Program Performance for ACAT II, III, and IV Programs

Based on a review of the APBs of all ACAT II, III, and IV programs, the MDA shall determine, at the end of each fiscal year, and for each program separately, if, as of the last day of the fiscal year, 10 percent or less of the aggregate number of APB cost, schedule and performance thresholds for each program are in a breach status. The MDA shall also assess whether the average period for converting emerging technology to operational capability has decreased by 50 percent or more from the average period required for such conversion as of October 13, 1994. A summary of these determinations and assessments shall be provided to ASN(RD&A) by 15 October of each year. ASN(RD&A) will provide the DON assessment to Director, Acquisition Program Integration (API) of the Office of USD(A&T) by 1 November of each year as required by reference (b), paragraph 6.2.7. As of October 13, 1994, the average period between program initiation and initial operational capability (IOC) was 115 months. The number was derived from various commodities (aircraft, C3I systems, missiles, rockets, satellites, ships, tracked vehicles, and wheeled vehicles).

If the ASN(RD&A) finds that more than 10 percent of the aggregate number of APB cost, schedule, and performance thresholds for ACAT II, III, and IV programs are in a breach status, the appropriate Deputy Assistant Secretary of the Navy (DASN) (Research, Development and Acquisition) (RD&A), or their representative, shall conduct a timely review of the affected programs. In conducting the review, the DASN, user's representative and the acquisition coordination team (ACT) leader (if existing) shall determine whether there is a continuing need for the programs that are sufficiently behind schedule, overbudget, or not in compliance with performance requirements, and shall recommend to the MDA suitable actions to be taken, including termination.

6.3 Test and Evaluation Reports

This paragraph describes mandatory test and evaluation (T&E) reporting requirements for ACAT ID, IC, IA, II, III and IV

06 DEC 1996

programs.

6.3.1 DoD Component (DON) Reporting of Test Results

See reference (b), paragraph 6.3.1, for implementation requirements for ACAT I, IA, and other programs designated for DOT&E oversight.

6.3.1.1 Navy Developmental Test and Evaluation (DT&E) Reports

For programs subject to Office of the Secretary of Defense (OSD) T&E oversight, the developing activity (DA) shall provide copies of formal DT&E reports to Director, Test, Systems Engineering and Evaluation (TSE&E) (OUSD(A&T)) at least 45 days prior to milestone decision meetings. Copies of DT&E reports for all ACAT I programs shall be provided to the Defense Technical Information Center (DTIC) with the Report Documentation Page (SF 298). For significant major acquisition program T&E events, as defined in the test and evaluation master plan (TEMP), copies of Navy internal event reports shall be forwarded via CNO (N091) to Director, TSE&E (OUSD(A&T)). See references (c) and (d) for further amplifying information for DTIC reporting requirements.

6.3.1.2 Navy Operational Test and Evaluation (OT&E) Reports

Commander, Operational Test and Evaluation Force (COMOPTEVFOR) shall issue operational test reports within 90 days following completion of testing. This period shall be extended to 120 days when a "Quicklook" report is approved. Programs subject to OSD T&E oversight shall provide copies of formal OT&E reports to DOT&E at least 45 days prior to milestone decision meetings. Copies of OT&E reports for all ACAT I programs, except those which contain vulnerabilities and limitations data for key war-fighting systems, shall be provided to the DTIC with the Report Documentation Page (SF 298). For significant major acquisition program T&E events, as defined in the TEMP, copies of Navy internal event reports shall be forwarded via CNO (N091) to DOT&E. See references (c) and (d) for further amplifying information for DTIC reporting requirements.

6.3.1.2.1 Anomaly Reports

An anomaly report shall be originated by COMOPTEVFOR when minor failures or anomalies are discovered during operational testing that impact testing, but are not so severe that testing should be stopped. COMOPTEVFOR shall report applicable data relating only to this anomaly. The anomaly report shall be addressed to CNO (N091), the developing activity (DA), and the program sponsor or IT functional area Point of Contact (POC) for IT programs.

06 DEC 1996

6.3.1.2.2 Deficiency Reports

A deficiency report is originated by COMOPTEVFOR when it becomes apparent that the system under OT&E will not achieve program objectives for operational effectiveness and suitability, is unsafe to operate, is wasting services, or test methods are not as effective as planned. COMOPTEVFOR shall stop the test and transmit a deficiency report to CNO (N091), the DA, and the applicable program sponsor, or the IT functional area POC, providing all deficiency test data to the DA for corrective action. The information shall include the configuration of the system at the time the test was suspended, what specific test section was being conducted, observed limitations that generated the deficiency status, and any observations that could lead to identification of causes and subsequent corrective action. The program shall be recertified for OT&E in accordance with enclosure (3), paragraph 3.4.3.3. A recertification message is required, prior to restart of testing, addressing the topics listed in enclosure (7), appendix III (last page).

6.3.1.2.3 Quicklook Operational Test and Evaluation Reports

A quicklook report may be requested when the normal OT&E report development period will adversely affect the program. Quicklook report conclusions may not agree with those in the full OT&E report due to limited data analysis.

Quicklook OT&E reports are authorized by CNO (N091) and shall be requested in the message certifying readiness for operational testing (see enclosure (3), paragraph 3.4.3.3). Quicklook reports shall be issued within 30 days following completion of testing.

6.3.1.3 Marine Corps Operational Test Reports (TRs)

After operational testing (OT), the Fleet Marine Force (FMF) shall write the Test Director (TD) test report. The TR shall address the collection, organization, and processing of information derived from the operational test and is a key source of information from which the initial evaluation report (IER) is written. The report also documents the overall potential of the system to meet operational effectiveness and suitability thresholds. The TR shall be forwarded via the appropriate Marine Force (MARFOR), to arrive at Marine Corps Operational Test and Evaluation Activity (MCOTEA) no more than 30 days after the end of the test. The PM does not have a role in developing or reviewing the TR.

An IER is written to report the results of both initial operational test and evaluation (IOT&E) and follow-on operational test and evaluation (FOT&E). The IER shall be completed no more than 120 days following the end of testing. Once signed by the Director, MCOTEA, it shall be forwarded to CMC via Assistant

06 DEC 1996

Commandant of the Marine Corps (ACMC), and it shall be released upon ACMC approval for distribution. Once approved, MCOTEA shall distribute it to the MDA, PM, FMF, and others concerned. Release of the observed test results prior to completion of analysis is as deemed appropriate by the Director, MCOTEA.

The results of early operational assessments (EOAs) and operational assessments (OAs) shall be reported directly to the PM. The time and format for these assessment reports shall be determined by MCOTEA and the PM.

6.3.1.3.1 Anomaly Reports

Anomaly reports shall be provided by MCOTEA when minor failures or anomalies are discovered during operational testing that impact testing but are not so severe that testing should be stopped. The report shall be provided to the PM/DA for problem resolution, but it does not authorize the PM/DA to make changes in the system being tested.

6.3.1.3.2 Deficiency Reports

A deficiency report shall be provided when it becomes apparent during OT&E that the system under test will fall significantly short of requirements for operational effectiveness and suitability, is unsafe to operate, is wasting services, or has test methods not as effective as planned. The deficiency report shall specify the nature of the deficiencies identified. Testing shall be terminated until the deficiencies are corrected. The determination to resume testing shall be made by the Director, MCOTEA, after an abbreviated or full operational test readiness review (OTRR) is held in order to revalidate readiness for testing (see enclosure (3), paragraph 3.4.3.4).

6.3.2 Live Fire Test and Evaluation (LFT&E) Report*

For ACAT I or II programs involving covered major systems, major munitions or missiles, or product improvements thereto, the DA shall prepare a report of LFT&E to be submitted to DOT&E, via CNO (N091). The submission shall allow OSD 45 days to prepare an independent report and submit it to Congress prior to the program proceeding beyond Low-Rate Initial Production (LRIP). PMs shall keep CNO (N091) apprised of LFT&E program progress and execution. See reference (b), paragraph 6.3.2, for further implementation requirements for ACAT I and II programs involving covered major systems, major munitions or missiles, or product improvements thereto.

6.3.2.1 LFT&E Waivers

Waivers from realistic survivability (i.e., full-up, system-level testing) and lethality testing and certifications to Congress that live fire testing would be unreasonably expensive or impractical, shall be submitted by the MDA to DOT&E and

06 DEC 1996

Congress prior to Milestone II. Waivers shall be coordinated with the program sponsor and CNO (N091). Live fire waivers and certifications to Congress shall also be coordinated with ASN(RD&A) for ACAT III and IV programs involving covered major systems, major munitions or missiles, or product improvements thereto.

*Not applicable to ACAT IA programs.

6.3.3 Beyond Low-Rate Initial Production Report*

ACAT ID or IC programs, or ACAT II, III and IV programs that are designated DOT&E oversight programs, shall not proceed beyond LRIP until the DOT&E has submitted a written report to the Secretary of Defense and the Congress as required by 10 U.S.C. 2399. See reference (b), paragraph 6.3.3, for the beyond LRIP report content for designated DOT&E oversight programs.

*Not applicable to ACAT IA programs.

6.3.4 Foreign Comparative Test Notifications and Reports to Congress*

The DTSE&E shall notify Congress a minimum of 30 days prior to the commitment of funds for initiation of new foreign comparative test evaluations. See reference (b), paragraph 6.3.4, for further implementation requirements for DON programs involved in foreign comparative testing.

*Not applicable to ACAT IA programs.

6.3.5 Electronic Warfare (EW) Test and Evaluation Reports

See reference (b), paragraph 6.3.5, for implementation requirements for designated DON Electronic Warfare programs.

6.3.6 Annual Operational Test and Evaluation Reports*

See reference (b), paragraph 6.3.6, for implementation requirements for DON programs subject to operational test and evaluation and live fire test and evaluation during the preceding fiscal year.

*Not applicable to ACAT IA programs.

6.4 Contract Management Reports*

The reports prescribed in this section shall be used for all applicable defense contracts as they aid in effective resource management. Use of electronic data interchange shall be required provided that such media are suitable for management use. The work breakdown structure (WBS) used in preparing reports covered by this section shall conform to the standard DoD WBS (see reference (b), paragraph 4.4.2). See reference (b),

06 DEC 1996

paragraph 6.4, for further implementation requirements for ACAT I, II, III, and IV programs.

*Not normally applicable to ACAT IA programs because of the lower dollar value of ACAT IA contracts.

6.4.1 Contractor Cost Data Reporting (CCDR)

1. The Director, NCCA shall concur in, or provide comment on, all ACAT I CCDR plans. When the DON provides the independent cost estimate (ICE) for an ACAT IC program, the CCDR plan for that program shall also be provided to the Director, NCCA for approval. For ACAT II programs, the CCDR plans shall be provided as part of the ACT process to the Director NCCA for approval.
2. Copies of all CCDRs shall be provided to NCCA.

See reference (b), paragraph 6.4.1, for further implementation requirements for ACAT I programs.

6.4.2 Cost Performance Report (CPR)

PMs shall use the following guidelines in developing CPR reporting requirements:

1. Tailor CPR requirements with the objective of minimizing reporting requirements while satisfying management needs for a specific contract.
2. Except for high-cost or high-risk elements, the normal level of reporting detail shall be limited to level 3 of the contract WBS.
3. Format 2 of the CPR shall normally reflect the contractor's organizational structure used for managing the program. If format 2 is appropriate, and the contractor and government are using IPTs, format 2 of the CPR shall be tailored to reflect that structure. If there is one IPT for each WBS element, then a format 2 is not necessary.
4. Variance analysis reporting in format 5 of the CPR shall be on an exception basis as identified by either the government or contractor. Variance analysis reporting shall be closely linked to risk analysis for identification of cost drivers.
5. Copies of all CPRs shall be provided to NCCA.

See reference (b), paragraph 6.4.2, for further implementation requirements for all DON programs.

06 DEC 1996

6.4.3 Cost/Schedule Status Report (C/SSR)

See reference (b), paragraph 6.4.3, for further implementation requirements for all DON programs.

6.4.4 Contract Funds Status Report (CFSR)

See reference (b), paragraph 6.4.4, for further implementation requirements for all DON programs.